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EXHIBIT B



PROBABLE QUALIFICATION WEB TOOL

1. DESCRIPTION AND PURPOSE

The primary purpose of the Probable Qualification web tool is to provide the online mortgage shopper an exploratory, educational tool to assist in answering the question: "Is My Mortgage Application Likely to be Approved?"

the Probable Qualification tool is designed to give the consumer a riskless and costless "preview" of the outcome of the full application process in terms of their likelihood of being approved for a mortgage loan. The output from the Probable Qualification tool will be both quantitative and qualitative in nature. It will be quantitative in terms of a numerical rating of the likelihood of mortgage loan approval. Qualitative, textual suggestions as to how to increase the probability of loan approval will be offered when the loan is deemed not likely to be approved based on the borrower's inputs into the Probable Qualification tool.



3. DATA INPUTS

The online Probable Qualification web tool contains a series of 18 questions. There are two types of questions that comprise the Probable Qualification Web Tool: credit related questions and non-credit related questions. There are six credit-related questions that are used to derive a "proxy" credit score, which is necessary because a credit report and therefore a FICO score will not be available for the consumer during the consumer's Probable Qualification session.

There are also several questions the answers to which are used to derive other factors. For example, annual income, monthly debts, purchase price of home, and down payment amount are used to derive total expense ratios as well as LTV which are not collected directly through the web tool, but are calculated values. These derived values are described in more detail in Section 4.2.

The following table presents the Probable Qual questions, formats, and allowable values.



Table 1: Probable Qualification Field Descriptions, Questions, Formats, Data Controls, & Allowable Values

Data Item	Field Description	Web-based Question	Data Format	Comments
1	Loan Purpose	What is the purpose of the loan?	1-Purchase 2-Refinance	
2a	Current Mortgage Balance	What is your current mortgage balance?	Dollar amount	Data item required when Loan Purpose-Refinance
3a	Property Value	What is the purchase price of the property?	Dollar amount	0 < Prop. Value < 1,000,000 Data item format when Loan Purpose-Purchase
3b	Property Value	What is the current value of the property?	Dollar amount	0 < Prop. Value < 1,000,000 Data item format when Loan Purpose-Refinance
4a	Down Payment ²	What is the down payment amount?	Dollar amount	0 < Down Pay. < 1,000,000 Data item format when Loan Purpose-Purchase
4b	Loan Amount ²	What is the loan amount?	Dollar amount	0 < Loan Amount < 1,000,000 Data item format when Loan Purpose-Refinance
5	Property Type	What is the type of property?	1-Single-Family House 2-2 units	



Data Item	Field Description	Web-based Question	Data Format	Comments
			3-3 units 4-4 units 5-Condo	
6	Property Usage	How do you plan on using the property?	1-Primary residence 2-Second home 3-Rental	
7	Loan Type	What type of loan do you want?	1- 30 Year Fixed rate 2 -15 Year Fixed rate 3-Adjustable Rate Mortgage 4-Balloon	
8	Number of Borrowers ¹	How many borrowers will be on the loan application?	1 - one 2 - Two or more	
9	Self Employed	Are you self-employed?	1-Yes 0-No	
10	Liquid Assets	How much liquid assets do you and your co-borrower have?	Dollar amount	
11	Annual Income of all Borrowers Combined ⁴	What is you and your co-borrower's total annual income? (Including salaries, child support, bonuses, commissions, gift money.)	Dollar amount	

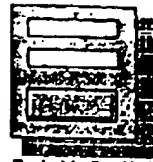


Data Item	Field Description	Web-based Question	Data Format	Comments
12	Monthly Debt Payments, ⁵	What are you and your co-borrower's total monthly debt payments?	Dollar amount	
13	Bankruptcies, foreclosures, tax liens or garnishments, ³	During the last 10 years, have you or your co-borrower incurred any bankruptcies, foreclosures, tax liens, or garnishments?	1=Yes 0=No	
14	First Credit Account	How long ago was your first credit account established (even if it's no longer open)?	1=Less than 1 year ago 2=Between 1 and 2 years ago 3=Between 2 and 5 years ago 4=Between 5 and 10 years ago 5=More than 10 years ago	
15	Credit Accounts	How many new credit accounts have you opened during the last 2 years?	1=Fewer than 5 2=5 or more	
16	Late on Credit	When was the last time you were more than a month late on a credit account payment?	1 = Never delinquent 2 = less than 1 year ago 3 =Between 1 and 3 years ago 4 =Between 3 and 7 years ago 5 =More than 7 years ago	
17	Number of Times late on credit	How many times during the last 7 years have you been more than a month late on a credit account payment?	0=0 1=1 2=2 3=3 4=4 5=5 or more	
18	Credit Utilization, ⁶	What percentage of your total credit account limits are you currently using?	1=0-5 2=5-10 3=10-20 4=20-40 5=40-80 6=greater than 80	

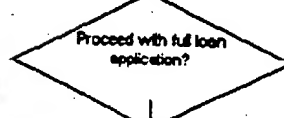
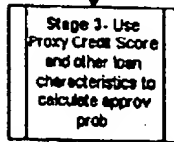
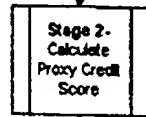
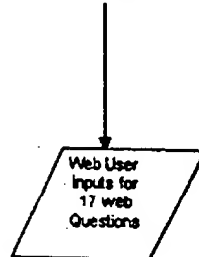


Partner Lender homepage

Inquire About a Mortgage



Probable Qual Web Inputs Page



No

Consumer returns to main PQ web page to re-enter input values

Yes



Consumer returns to data input screen to test new scenarios



4.1 STEP 1. THE ELIGIBILITY SCREEN

TBD. The eligibility screen allows the "Probable Qual" user to receive feedback regarding the eligibility of the loan they are examining prior to the completion of the data input. This is accomplished by using the answers to questions 1-7 to compare product, purpose, occupancy, number of units and LTV (derived from responses to several questions) input by the user to Fannie Mae's standard eligibility requirements. If the user inputs a combination of factors that is typically ineligible they are notified immediately of the ineligibility. This allows the user to change the response to a previous question and continue with the remaining "Probable Qual" input.



4.2 STEP 2. DETERMINING THE "PROXY" CREDIT SCORE .

Through a series of credit-related questions, a proxy credit score is calculated separately for the following two groups: a) those without a delinquency in the last 7 years; b) those with delinquencies, or those whose last delinquency was over 7 years ago . Proxy scores begin with a minimum base depending on the above groups and range from a minimum proxy score of 525 for those with delinquencies to 753 . For those without delinquencies, the proxy score ranges from 578 to 781. The threshold question to determine whether a borrower has had any delinquencies is based on the consumer's response to Question # 17 in Table 1 in Section 3. If a consumer gives a non-zero response to this question, then they are considered to have a history of late payments on credit .



Table 3a:

For Use in Constructing a Proxy Credit
Score for Web Users without Credit
Delinquencies

For applicants without
delinquencies:

Characteristic	Attribute	Proxy Credit Score Points	Maximum Score	Minimum Score
Base Score / Intercept		578	578	578
Utilization (Percentage of revolving Credit that is utilized)	80 < utilization %	0	75	0
	40 < utilization % <= 80	19		
	20 < utilization % <= 40	38		
	10 < utilization % <= 20	54		
	Utilization % <= 10	75		
How many accounts have Been established in last 2 years	Number accts. => 5	0	23	0
	Number accts. < 5	23		
Age of credit history	Years < 2	0	52	0
	2 <= years < 5	18		
	5 <= years < 10	34		
	10 <= years	52		
Public Record (Bankruptcies, foreclosures, tax liens, garnishments)	Yes	0	53	0
	No	53		
Proxy Score = sum of points			781	578

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JAN 06 2003

GROUP 3600

Table 3b:
For Use in Constructing Proxy Credit
Score for Web Users with Credit
Delinquencies

For applicants with
delinquencies:

Characteristic	Attribute	Proxy Credit Score Points	Maximum Score	Minimum Score
Base Score / Intercept		525	525	525
Utilization (Percentage of revolving Credit that is utilized) and Recency of Delinquency	80 < utilization %			
	delq. < 1 yr	0		
	1 yr <= delq. < 3 yrs	39		
	3 yrs <= delq. < 7 yrs	54		
	40 < utilization % <= 80			
	delq. < 1 yr	19		
	1 yr <= delq. < 3 yrs	56		
	3 yrs <= delq. < 7 yrs	68		
	20 < utilization % <= 40			
	delq. < 1 yr	42		
	1 yr <= delq. < 3 yrs	79		
	3 yrs <= delq. < 7 yrs	90		
	10 < utilization % <= 20			
	delq. < 1 yr	59		
	1 yr <= delq. < 3 yrs	97		
	3 yrs <= delq. < 7 yrs	108		
	Utilization % <= 10			
	delq. < 1 yr	78		
	1 yr <= delq. < 3 yrs	115		
	3 yrs <= delq. < 7 yrs	127	127	
How many accounts have been established in last 2 years	Number accts. >= 5	0		
	Number accts. < 5	16	16	
Age of credit history	Years < 2	0		
	2 <= years < 5	26		
	5 <= years < 10	43		
	10 <= years	57	57	
Public Record (Bankruptcies, foreclosures, tax liens, garnishments)	Yes	0		
	No	28	28	
Proxy Score = sum of points			753	525

4.3. STEP 3. DETERMINING THE COEFFICIENT WEIGHTS FOR THE NON-CREDIT FACTORS AND CALCULATING THE OVERALL APPROVAL PROBABILITY

Once a proxy credit score is determined as described in the previous section, the next step is to assign the newly calculated proxy credit score the appropriate weight according to the proxy score range given in the Table 3 "Probable Qualification Model Layout", which is given below. In addition to weighting the proxy credit score, which represents the combined weighted response to the group of credit history questions from the web-page, the responses to the other non-credit questions must also be assigned weights according to the categorized responses for each characteristic from Table 3.

4.3.1.2 LTV

4.3.1.3 TOTAL EXPENSE RATIO

4.3.1.5 NUMBER OF UNITS

**Table 4 - Probable Qualification Model Layout: To be
used in the calculation of An Overall Approval Probability**

Once all of the individual characteristics have been assigned weighting coefficients, they are then summed and converted to an overall probability via the following formula :

$$\text{PROBABILITY} = \text{EXP}(\text{SUM}) / (1 + \text{EXP}(\text{SUM}))$$

4.4. STEP 4. MESSAGING BACK TO CONSUMER: QUALITATIVE AND QUANTITATIVE OUTPUT

Output displayed back to the consumer will be both quantitative and qualitative in nature . The quantitative aspect of the output is to give the consumer a probability or a numerical estimate of the likelihood that their loan will be approved given their current input values . For the very small subset of borrowers found not likely to be approved, the output from the Probable Qualification tool will provide helpful suggestions for improving their
